



## **Supply Network Limited Share Trading Policy**

This document sets out the Company's share trading policy to regulate dealings by directors, officers and employees in securities issued by the Company.

Company directors, officers and employees are required to comply with the restrictions contained in the Corporations Act regarding the prohibition on insider trading where price-sensitive information is present, and also the takeover provisions which restrict dealings in Company securities when their combined shareholding interest exceeds 20%.

The purpose of this policy is to assist directors, officers and employees to avoid conduct that might be considered as "insider trading" and to establish appropriate rules for trading in the Company's shares.

For the purposes of this policy, trading in the Company's shares also extends to trading in other securities issued by the Company including options.

### **1. What is insider trading?**

- 1.1 Insider trading is prohibited under the Corporations Act, punishable by significant fines or imprisonment, or both.
- 1.2 The key elements that constitute insider trading by any individual are:
  - 1.2.1 That person possesses information about the Company which they know or ought reasonably to know is not generally available to the market. It is important to note that the definition of information is broad enough to include rumours and tips, regardless of their truth.
  - 1.2.2 That information if it were known in the market would be likely to have a material effect on the share price of the Company. This information is often referred to as being "price sensitive".
  - 1.2.3 The person uses this price sensitive information to their advantage by trading in the Company's shares or having someone else do so on their behalf.
  - 1.2.4 It is also insider trading if a person passes on price sensitive information to other parties knowing (or where they should have reasonably known) that the other party will use that information to trade in the Company's shares. This includes family, friends and associates.
- 1.3 Insider trading may also occur where information about the Company's activities that is materially price sensitive to another entity listed on the ASX is used to make trades in that other company.

### **2. What sort of information is "price sensitive"?**

- 2.1 The sort of information which might affect the Company's share price and which may be regarded as "price sensitive" includes:

- 2.1.1 The Company's financial results before these have been published, particularly if they are significantly better or worse than market expectations.
- 2.1.2 Any pending material acquisitions or divestments by the Company.
- 2.1.3 The threat of any material litigation that may involve the Company.
- 2.1.4 Information on a proposed bonus issue of shares or changes to dividend policies.
- 2.1.5 Information of new deals/contracts won, proposals made or negotiations in process.

As well as the prohibitions against insider trading, directors, officers and employees have a common law duty of confidentiality to the Company. Directors, officers and employees must not reveal any confidential information concerning the Company. Directors, officers and employees must not use any of this confidential information in any manner which may injure or cause loss to the Company.

### **3. General Policy for trading in the Company's shares**

- 3.1 Directors, officers and employees of the Company are encouraged to follow a long term investment policy with respect to their holdings (including derivatives) in the Company's securities and any trading of a short term or speculative nature is to be discouraged.
- 3.2 Directors, officers and employees of the Company must not buy or sell shares in the Company when they are in possession of price sensitive information which they know or ought reasonably to know is not generally available to the market.
- 3.3 Directors, officers and employees of the Company must not procure another person such as a family member, friend or associate to deal in the Company's shares or communicate any price sensitive information to another person who is likely to deal in the Company's shares or procure another person to do so.
- 3.4 Insider trading laws
  - 3.4.1 Insider trading by directors and all employees is illegal and is prohibited. If a person is in possession of any unpublished price sensitive information, it is a criminal offence to take advantage for personal gain or that of a family member, friend or associate.
  - 3.4.2 Price-sensitive information is any information which if it were generally available, a reasonable person would expect to have a material effect on the price or value of the Company's shares or would be likely to influence a person in deciding whether to buy or sell the Company's shares.
- 3.5 Confidential information
  - 3.5.1 Directors, officers and employees also have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or use that information to gain an advantage for themselves or anyone else.
- 3.6 Dealing in the Company's shares

- 3.6.1 Public companies are required to continuously disclose price sensitive information, so there is no particular period of time in which it can be automatically assumed that it is safe to trade in the Company's shares.
- 3.6.2 The only permissible time for directors, officers and employees of the Company to buy or sell the Company's shares is when he or she is not in possession of price sensitive information.
- 3.6.3 Without limiting this principle, the following rules have been established to assist directors, officers and employees of the Company in fulfilling their obligations:
  - (i) Directors, officers and employees must not engage in short term trading i.e. the buying and selling of the same parcel of shares (or part thereof) within a twelve month period.
  - (ii) There is an absolute prohibition on any trading of shares in the four week period before the announcement of the full year and half year results (both unaudited and audited) and the Annual General Meeting.
  - (iii) Directors, officers and employees must advise the Company Secretary in writing of the details of any completed transactions within 2 working days of the transaction. The Company Secretary will be responsible for maintaining a record of disclosures.

#### **4. Additional Trading Restrictions for Directors and Some Employees**

- 4.1 In addition to the *General Policy for trading in the Company's shares*, additional restrictions on trading in the Company's shares apply to directors of the Company, all executives reporting directly to the Managing Director and any other employees of the Company considered appropriate by the Managing Director from time to time (restricted persons).
  - 4.2 Restricted persons generally hold positions where it can be assumed that they will have inside information regarding the Company. Accordingly, additional restrictions to the general law apply. Restricted persons may only deal in Company shares as follows:
    - 4.2.1 If the dealing is not prohibited by the Corporations Act; and
    - 4.2.3 During the following "window periods":
      - (i) In the period between 1 day and 30 working days after the release of the Company's Half Yearly Results announcement to the Australian Stock Exchange ("ASX");
      - (ii) In the period between 1 day and 30 working days after the release of the Company's Full Year Results announcements to the ASX;
      - (iii) In the period between 1 day and 30 working days after the close of the Company's Annual General Meeting.
- and then only after checking with the Chairman (in the case of Directors) or Managing Director (in the case of executives) and receiving written clearance.

**It is important to note that even when a trading "window period" is open restricted persons may not deal in Company shares if they are in possession of inside information.**

- 4.2.4 Outside of the above window periods (**closed period**) dealing in Company shares may in certain circumstances, including exceptional circumstances, occur if prior written approval is obtained.

Prior to undertaking any trade during closed period restricted persons must obtain written approval as set out below:

- The Chairman of the company must inform and secure written approval from the remainder of the Board.
- A Director of the company must inform and secure written approval from the Chairman.
- A Executive of the company must inform and secure written approval from the Managing Director.

Approval will only be given if the Board/Chairman/Managing Director is satisfied there is no price sensitive information which is not generally available to the market/public.

- 4.2.5 **Exceptional Circumstances** – prior written approval for trading during closed period may be granted where severe financial circumstances arise which cannot be resolved other than by selling the company's shares.

## **5. Exercising of Options**

- 5.1 Where the Company operates long term incentive plans, which give rise to the exercise of share options or the award of shares, participants in the plans:

5.1.1 Participants must comply with the *General Policy for trading in the Company's shares* where securities are being acquired through the exercise of options or the award of shares. The policy continues to apply to the trading of those securities once they have been acquired.

5.1.2 Participants are prohibited from entering into any scheme or arrangement to protect the value or lock in a price of those options or shares before the exercise or award date.

## **6. Trading excluded from policy**

- 6.1 Where the Company operates dividend reinvestment plans, share buy-back schemes or equity issues, as determined by the Company's Board of Directors, these company initiated actions will be subject to the relevant legal requirements and will operate separate from, and not be subject to, this Share Trading Policy.

## **7. General**

- 7.1 Strict compliance with this policy is a condition of employment.
- 7.2 The requirements imposed by this policy are separate from and additional to, the legal prohibitions in the Corporations Act on insider trading.